

February 2, 2001

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2001 Energy and Water Development Appropriations Act, House Report 106-693, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. The FY 2000 Energy and Water Development Appropriations Act, House Report 106-253, expanded the scope of the report requirement to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to evaluate NRC security regulations. In FY 2000, we also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the twenty-fifth report, which covers the month of December (Enclosure 1).

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Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Joseph I. Lieberman

February 2, 2001

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

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Richard A. Meserve

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2. Tasking Memorandum

cc: Representative Rick Boucher

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Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

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Richard A. Meserve

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1. Monthly Report
2. Tasking Memorandum

cc: Senator Harry Reid

February 2, 2001

The Honorable W.J. "Billy" Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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1. Monthly Report
2. Tasking Memorandum

cc: Representative John D. Dingell

February 2, 2001

The Honorable Bob Smith, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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2. Tasking Memorandum

cc: Senator Harry Reid

February 2, 2001

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

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1. Monthly Report
2. Tasking Memorandum

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

December 2000

Enclosure 1

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¹Note: The period of performance covered by the report includes activities occurring between the first and last day of the month (e.g., December 31, 2000). The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

LXXVIII. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in many areas. Although various activities are in progress, we have not reached a milestone that is significant for separate reporting at this time. The milestone schedule for the significant risk-informed activities are included in the Commission Tasking Memorandum (Enclosure 2 to the letter from Richard A. Meserve, NRC Chairman, forwarding the December 2000 monthly report to Congress on the status of NRC licensing and regulatory duties).

II. Revised Reactor Oversight Process

The NRC commenced initial implementation of its new Reactor Oversight Process (ROP) at all nuclear plants except D.C. Cook, Units 1 and 2, in April 2000. It has continued meeting with the interested stakeholders on a periodic basis to continue refining the ROP, and collect lessons learned information. Recent activities include:

- a. The NRC staff held a public meeting in the vicinity of Region I on December 13, 2000, to discuss the status of implementation of the agency's new reactor oversight process. This was the last of the four regional public meetings scheduled at the midpoint of the first year of full ROP implementation to discuss the progress, challenges, and successes.
- b. The NRC's ROP Initial Implementation Evaluation Panel (IIEP) held its third public meeting on January 22-23, 2001, in Rockville, Maryland. This Federal Advisory Committee Act (FACA) panel was established to independently evaluate the results of the first year of implementation of the ROP. The panel includes representatives from the NRC headquarters and regional offices, the Georgia Department of Natural Resources, the California Energy Commission, the Nuclear Energy Institute, the New England Coalition on Nuclear Pollution, Ferdig Inc., and reactor licensees.
- c. The data and graphs for the reactor licensee performance indicators, NRC inspection findings, and related inspection reports are updated every quarter and are available on the NRC web page address at:
<http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>.
- d. NRC Regional and Headquarters managers and inspection branch staff are continuing efforts to interface with other NRC staff and public stakeholders to discuss ROP initial implementation issues. On December 14, a notice was published in the Federal Register (65 FR 78215) requesting comments/information from members of the public, licensees, and interest groups relating to the first year of initial implementation of the Reactor Oversight Process (ROP). This request is in response to the Commission's Staff Requirements Memorandum (SRM-00-0049), dated May 17, 2000, directing the staff to prepare a report summarizing the lessons learned during the first year of initial implementation of the ROP. The initial implementation of the ROP began at the 103 commercial nuclear power plants (except D.C. Cook Units 1 and 2 which are being phased into the ROP) on April 2, 2000. A public workshop to discuss lessons learned is tentatively scheduled for late March 2001. The final report is due to the Commission

in June 2001. Additionally, a series of internal “focus group” meetings are planned for the months of January and February, followed by improvement recommendations to NRC management during a March 6-8, 2001, NRC manager counterpart meeting in Rockville, Maryland. The results of an internal staff survey to be initiated in January will also be discussed at that time. Finally, the annual NRC Regulatory Information Conference will be held in Washington, D.C., on March 12-14, 2001, and will include sessions for stakeholder discussions regarding experience with the ROP to date.

III. Status of Issues in the Reactor Generic Issue Program

Resolution of issues in the Reactor Generic Issue Program continues to be on track in accordance with the existing schedules. There have been no changes in the status or resolution dates for Generic Safety Issues since the November 2000 report.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completions per year, size of the licensing action inventory, and age of the licensing action inventory.

Other licensing tasks are defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, NRC review of licensee 10 CFR 50.59 analyses and FSAR updates, or other licensee requests not requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is the number of other licensing tasks completed.

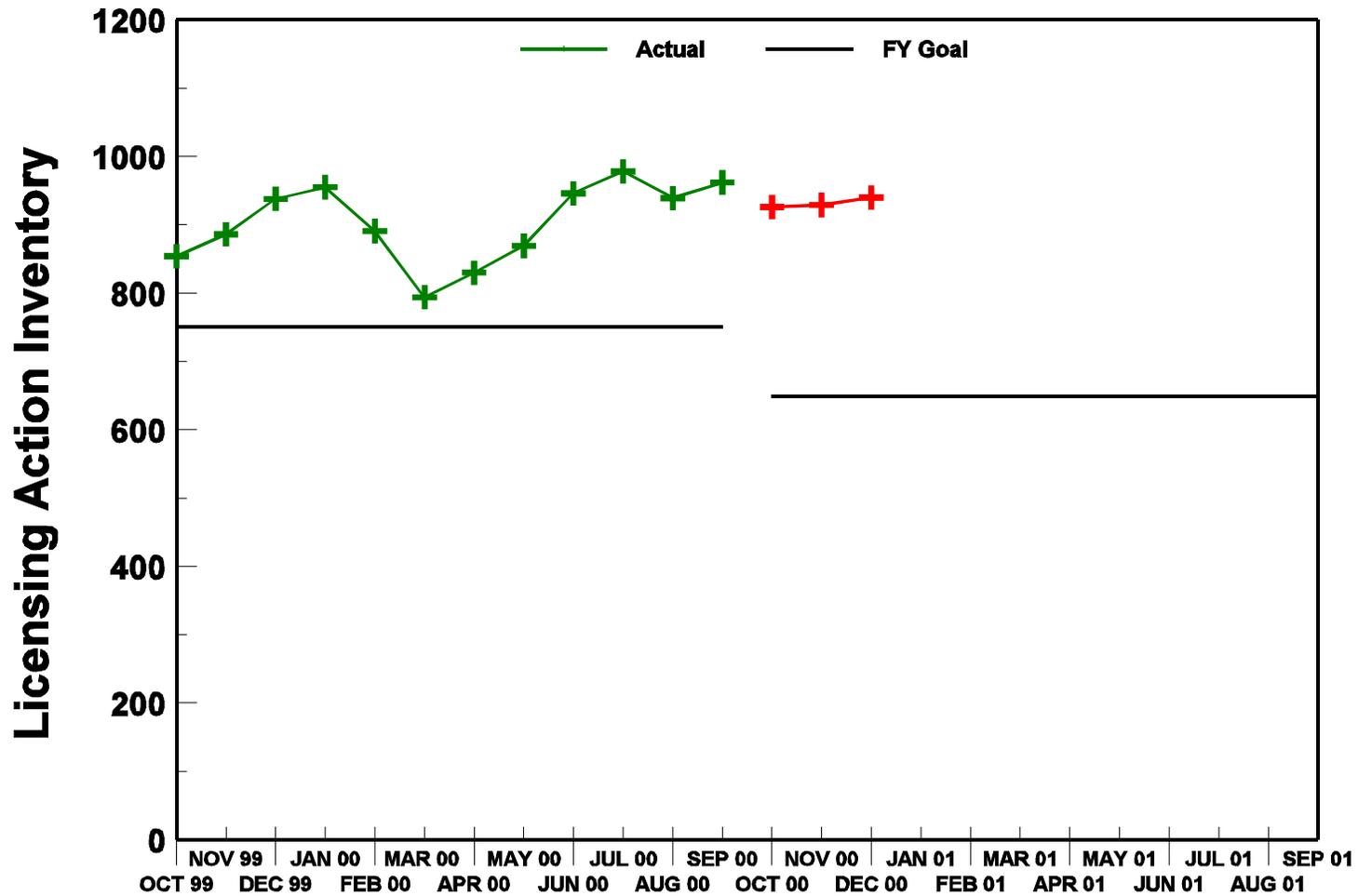
The actual FY 1999 and FY 2000 results, the FY 2001 goals and the actual FY 2001 results, as of December 31, 2000, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Goals	FY 2001 Actual (thru 12/31/2000)
Licensing actions completed/year	1727	1574	\$ 1500	452
Size of licensing action inventory	857	962	# 650	940
Age of licensing action inventory	86.2% # 1 year; and 100% # 2 years	98.3%# 1 year; and 100% # 2 years	95% # 1 year and 100% # 2 years old	93.2% # 1 year; 99.9% # 2 years
Other licensing tasks completed	939	1100	\$ 775	175

The following charts demonstrate NRC's FY 2001 trends for the four licensing action and other licensing task output measure goals.

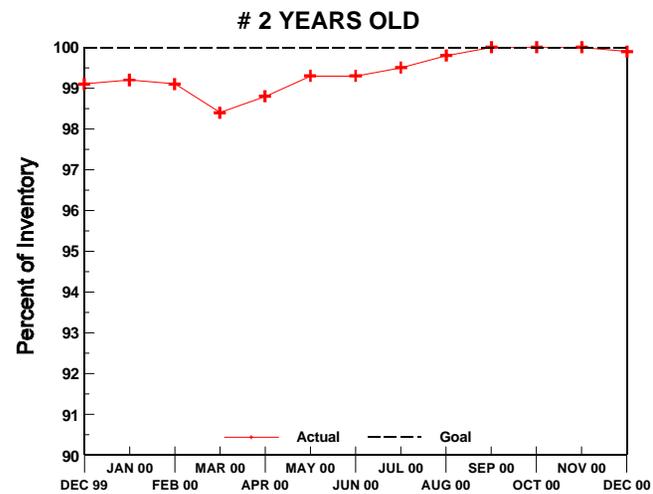
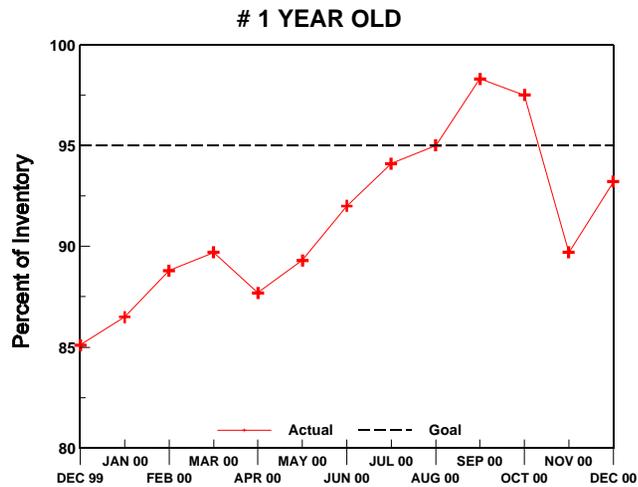
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



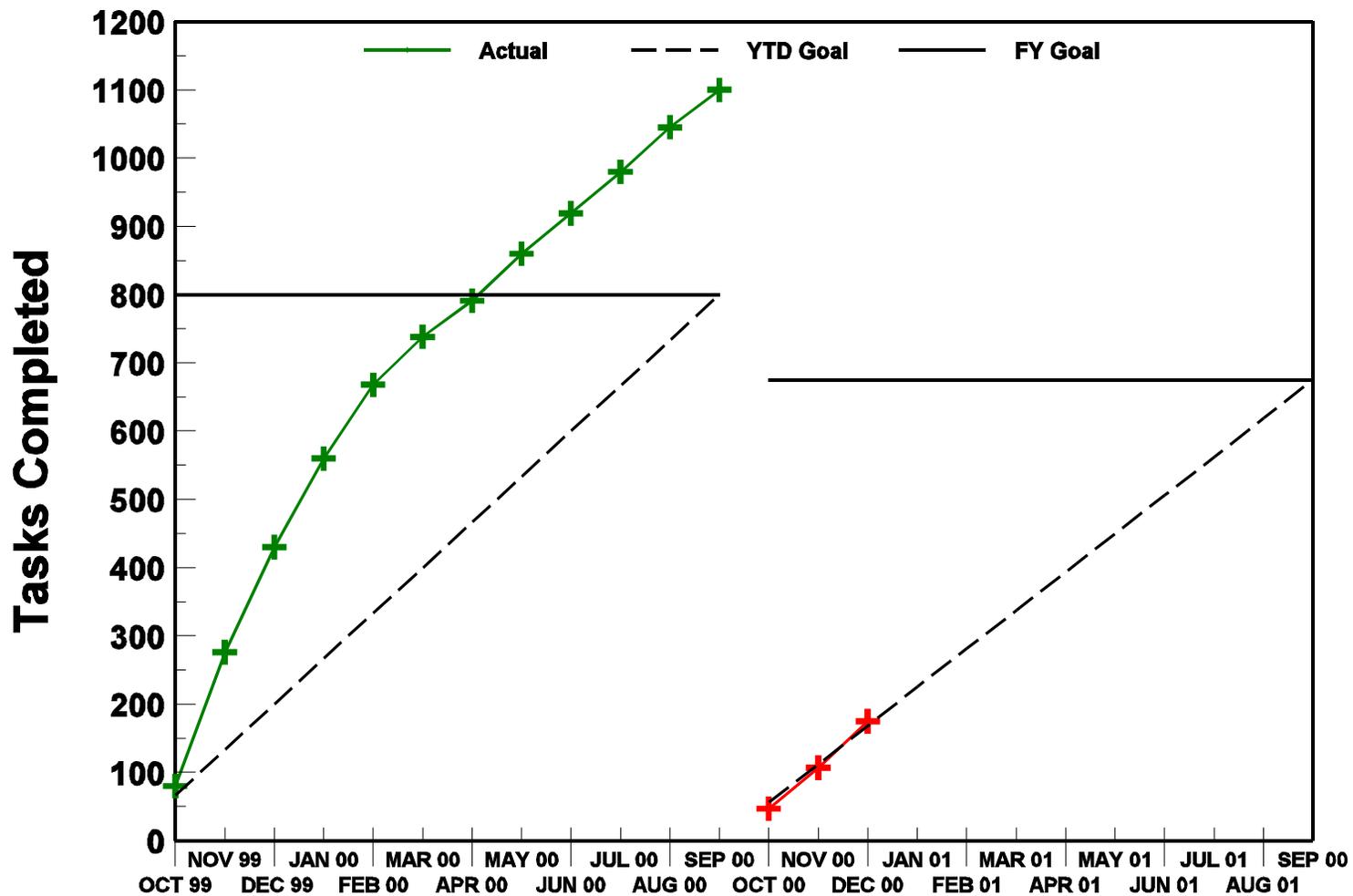
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Calvert Cliffs Renewal Application

The renewed licenses for Calvert Cliffs were issued on March 23, 2000, completing the NRC's review of the license renewal applications.

The Commission's denial of a request for hearing on the Calvert Cliffs application was appealed to the Court of Appeals for the D.C. Circuit. On April 11, 2000, the court issued its decision denying the petition for review. The petitioner requested a rehearing by the full Court of Appeals which was denied on June 15, 2000. The petitioner's request for review of the appellate court's decision was denied by the Supreme Court on January 8, 2001. Therefore, the Court of Appeals decision is final.

Arkansas Nuclear One, Unit 1, Renewal Application

The review of the Arkansas Nuclear One, Unit 1, renewal application is on schedule. All safety and environmental requests for additional information (RAIs) were issued and the applicant's responses were received. The draft supplemental environmental impact statement was issued for public comment in October 2000. The staff is preparing the safety evaluation report which is scheduled to be issued in January 2001.

Hatch, Units 1 and 2, Renewal Application

The review of the Hatch renewal application is on schedule. All safety and environmental RAIs were issued and the applicant's responses were received. The draft supplemental environmental impact statement was published for public comment in November 2000. The staff is preparing the safety evaluation report which is scheduled to be issued in February 2001.

Turkey Point, Units 3 and 4, Renewal Application

The review of the Turkey Point renewal application is on schedule. The application is currently under review and the staff is issuing RAIs. Two requests for hearing were received in response to the public notice of an opportunity for hearing and an Atomic Safety and Licensing Board Panel was convened to consider the requests.

License Renewal Implementation Guidance Development

The NRC staff issued the revised standard review plan, generic aging lessons learned report, and regulatory guide for public comment. Public comments were received and the staff is currently meeting with stakeholders as part of its effort to address the comments and revise the documents. The revised documents are scheduled to be issued by the Summer of 2001.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, the NRC staff (lead agency) and the three cooperating Federal agencies (the U.S. Department of the Interior's Bureau of Indian Affairs and Bureau of Land Management and the Surface Transportation Board) continued to review and prepare responses to the public comments received on NUREG-1714, "Draft Environmental Impact Statement for the Construction and Operation of an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians and the Related Transportation Facility in Tooele County, Utah." As part of the Environmental Impact Statement development process, the NRC staff and the three cooperating Federal agencies are continuing to carry out consultations, pursuant to the National Historic Preservation Act. Although the Final Environmental Impact Statement was scheduled to be completed by February 28, 2001, the applicant recently identified additional information that will change the date of completion. The extent of the delay cannot be determined in advance of the receipt and review of the new information. The applicant has indicated that all the new information will be submitted in March 2001.

Litigation in the adjudicatory proceeding on the Private Fuel Storage, Limited Liability Company (PFS) application continued during this reporting period. Discovery closed on all safety contentions; the Atomic Safety and Licensing Board denied the State of Utah's motion for reconsideration of its Order rejecting four late-filed contentions; the State filed an appeal before the Commission; PFS filed a motion for summary disposition on its model service agreement; the Commission affirmed the Licensing Board's denial of a late petition to intervene; and the State of Utah filed an additional late contention, which is pending before the Licensing Board.

VII. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II**	Region III	Region IV	TOTAL
Severity Level I	Nov 2000	0	0	0	0	0
	FY 2001 YTD	0	0	0	0	0
	FY 00 Total	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
Severity Level II	Nov 2000	0	0	0	0	0
	FY 2001 YTD	0	0	0	0	0
	FY 00 Total	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
Severity Level III	Nov 2000	0	0	0	0	0
	FY 2001 YTD	0	1	0	0	1
	FY 00 Total	5	0	4	4	13
	FY 99 Total	9	2	7	8	26
Severity Level IV	Nov 2000	0	0	0	1	1
	FY 2001 YTD	0	0	0	1	1
	FY 00 Total	4	1	3	5	13
	FY 99 Total	52	42	57	60	211
Non-Cited Severity Level IV & Green	Nov 2000	6	0	10	9	25
	FY 2001 YTD	33	23	37	21	114
	FY 00 Total	313	190	289	258	1050
	FY 99 Total	343	267	334	305	1249

Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process*						
		Region I	Region II**	Region III	Region IV	Total
NOVs related to white, yellow or red findings	Nov 2000 -Red	1	0	0	0	1
	-Yellow	0	0	0	0	0
	-White	0	1	0	0	1
	FY 2001 YTD	1	1	0	0	2
	FY 00 Total	6	1	0	0	7

*Numbers of violations are based on enforcement action tracking system (EATS) data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

** Violation totals for Region II reflect a shift from a 6 week inspection period to a quarterly inspection period.

Description of Significant Actions taken in November 2000

Consolidated Edison Company of New York (Indian Point 2)

On November 20, 2000, a Notice of Violation was issued for a violation associated with a Red Significance Determination Process (SDP) finding. The violation involved the licensee's failure to identify and correct a significant condition adverse to quality involving the presence of primary water stress corrosion cracking flaws in the steam generator tubes, despite opportunities during the 1997 refueling outage. As a result, one of the tubes failed on February 15, 2000, when the reactor was at 100 percent power.

Duke Energy Corporation (Oconee Nuclear Station)

On November 9, 2000, a Notice of Violation was issued for a violation associated with a white SDP finding. The violation involved the failure to adequately establish design control measures involving the high pressure injection system using the spent fuel pool as a suction source following a tornado.

VIII. Power Reactor Security Regulations

Based on directions given by the Commission in Staff Requirements Memoranda dated June 29, 1999, November 22, 1999, and April 12, 2000, the staff has been involved in a project to re-evaluate and revise its regulations pertaining to security at power reactor facilities.

This project is an outgrowth of the staff's recommendation in May 1999, to institute a requirement for licensees to conduct periodic exercises to test the capability of their security organizations to protect against the design basis threat (SECY-99-024, "Recommendations of the Safeguards Performance Assessment Task Force," January 22, 1999). Following this paper, the staff recommended that a comprehensive review of the power reactor security regulations (10 CFR 73.55) be undertaken, including a new requirement for exercising the capability of security organizations to protect against the design basis threat (SECY-99-241, "Rulemaking Plan, Physical Security Requirements for Exercising Power Reactor Licensees' Capability to Respond to Safeguards Contingency Events," October 5, 1999). The Commission approved these recommendations and directed the staff to undertake the project.

The staff conducted a series of public meetings to ensure that external stakeholders had an opportunity to provide input to the process. The staff developed several position papers while drafting a proposed rule, including one which defined the approach the staff intended to take in the rulemaking. This approach included the use of performance criteria and critical safety functions as the basis for the rule (SECY-00-0063, "Staff Re-Evaluation of Power Reactor Physical Protection Regulations and Position on a Definition of Radiological Sabotage," March 9, 2000). This approach was approved by the Commission and the staff was directed to publish SECY-00-0063 in the Federal Register and invite public comment. The staff has completed its evaluation of the public comments and incorporated issues raised in these comments into the proposed performance objectives for the exercise rule. The staff's proposal is discussed in an information paper for the Commission that outlines the status of several significant safeguards initiatives. The paper is currently under management review. The final performance criteria will be submitted to the Commission for approval in the proposed rulemaking by May 2001.

In addition to the above effort, considerable attention has been paid to related issues surrounding the conduct of the Operational Safeguards Response Evaluation (OSRE) program. The OSRE program is NRC's current program for performance exercises conducted at nuclear power plants. The industry has developed a Safeguards Performance Assessment (SPA) pilot program to test concepts for the exercise portion of the new 10 CFR 73.55. The staff has interacted extensively with stakeholders on this program and expects to pilot the SPA program while the rulemaking, including the exercise requirement, is being processed. Lessons learned from the SPA will be incorporated into the final rulemaking. To date, four public meetings have been held to discuss the SPA program. The most recent of these meetings, held December 13, 2000, discussed the final SPA guidance document and details regarding the proposed pilot program.

The staff has also forwarded its recommendations to the Commission concerning an interim revision to the Physical Protection Significance Determination Process (PPSDP) addressing issues associated with application of the existing PPSDP. In the revised reactor oversight program the significance determination process is used to determine significance of findings and the appropriate regulatory response. The staff plans to formally revise the PPSDP in a process involving all stakeholders upon Commission approval.